

Mission Statement

- Serve as the Governor's chief fiscal policy advisor.
- Promote responsible resource allocation through the State's annual financial plan.
- Ensure the financial integrity of the State.

Vision Statement

Be the voice of expertise in fiscal matters of the State.

Goals

Promote the continuous improvement of:

- The structures, systems, processes, programs, and performance of the State;
- our expertise; and
- our capability to initiate and manage change.

INFORMATION RESOURCES

See the following resources for more information about the role and functions of the Department of Finance:

- State Administrative Manual (SAM)
- Government Code
- Department of Finance website:
www.dof.ca.gov



915 L Street ■ Sacramento, CA 95814
(916) 445-3878
www.dof.ca.gov

Role of the Department of Finance



How we fit into State government

State Government is made up of three branches:

- Legislative
- Judicial
- Executive

The Department of Finance, located in Sacramento, is in the Executive Branch; and part of the Governor's Administration.

The Department is one of eight "Control Agencies."

The Director of Finance is appointed by the Governor and is his/her chief fiscal policy advisor. The Director sits as a member of the Governor's cabinet and senior staff.

Principal functions are to:

- Establish appropriate fiscal policies to carry out the State's programs.
- Prepare, enact, and administer the State's Annual Financial Plan (budget), which the Governor is required under the State Constitution to present by January 10 of each year.

- Analyze legislation which has a fiscal impact.
- Develop and maintain the California State Accounting and Reporting System (CALSTARS).
- Monitor/audit expenditures by state departments to ensure compliance with law, approved standards, and policies.
- Develop economic forecasts and revenue estimates.
- Develop population and enrollment estimates and projections.
- Review expenditures for information technology activities of the departments.

Fiscal Process and Authority

The fiscal process is a dynamic one as new laws are enacted, new regulations are adopted, priorities change, available resources increase or decrease, and the Administration itself changes.

The Department of Finance impacts the fiscal activities of other state departments because of the general authority granted the Department in Government Code Section 13070. This section provides the Department of Finance with authority over all financial and business policies of the State. There are numerous other code sections that direct the operations of the Department.

Boards and Commissions

The Director of Finance (or designee) sits on numerous boards and commissions which directly impact a broad array of State activities. Examples are:

- State Allocation Board, which distributes funds for school construction.
- Commission on State Mandates, which hears and decides local mandate claims against the State.
- State Teachers' Retirement System, which invests the System's funds.
- Public Works Board which provides oversight of capital outlay projects.
- Pooled Money Investment Board, which invests State funds.

The Department of Finance interacts with the Legislature through various reporting requirements, by presenting and defending the Governor's Budget and in analyzing and testifying on legislation being heard in the Legislature.

The Department interacts with other State departments on a daily basis in terms of preparing, enacting, and administering the budget; reviewing fiscal proposals; analyzing legislation; establishing accounting systems; auditing department expenditures; and communicating the Governor's fiscal policy.